

### RECORD KEEPING

For over 20 years now we have had a system of taxation compliance called substantiation. This means that the Australian Tax Office accepts the information that we submit on income tax returns and other information submitted to them including Business Activity Statements (BAS).

This is done on the basis that if called upon, the taxpayer will be able to provide adequate records to support the information submitted. Where the taxpayer is unable to do so then additional tax, penalties and interest are assessed by the ATO and in some instances a broader ranging audit may be conducted of the taxpayer's affairs.

All of our clients have heard me say at least once "the people who keep good records get the best tax outcome" and it is true. At times when we are busy the record keeping falls behind and when tax accounting is being done legitimate tax deductions can be overlooked.

We all need simple systems for record keeping and ensure we stick to them. While record keeping is not an exciting part of a business, it will strongly influence the profitability of a business and the ultimate sale price of the business.